#### 6/6/78

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#### WITHDRAWAL SHEET (PRESIDENTIAL LIBARIES)

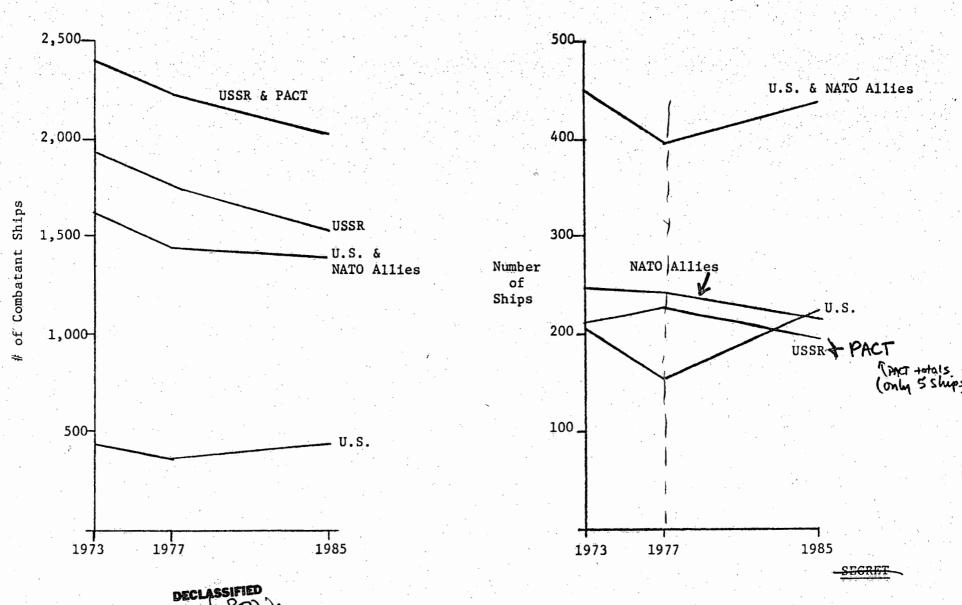
FORM OF DOCUMENT	CORRESPONDENCE OR TITLE	DATE	RESTRICTION
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#### FILE LOCATION

Carter Presidential Papers-Staff Offices: Office of Staff Secretary-Presidential Handwriting File
Box 89 Folder: 6/6/78

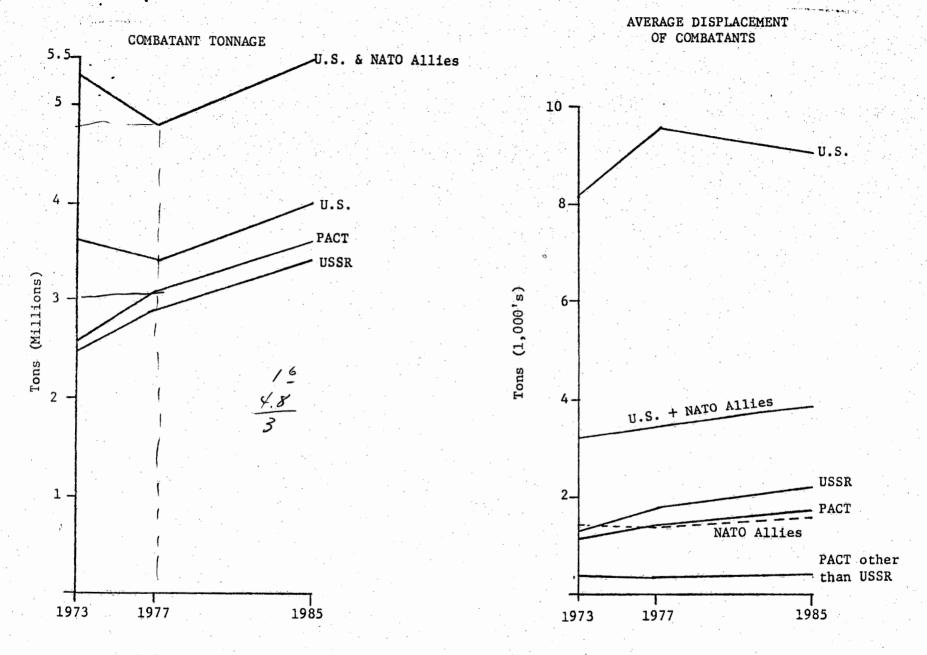
COMBATANT SHIPS

NUMBER OF MAJOR SURFACE COMBATANTS (CRUISERS, DESTROYERS, FRIGATES)



my mum



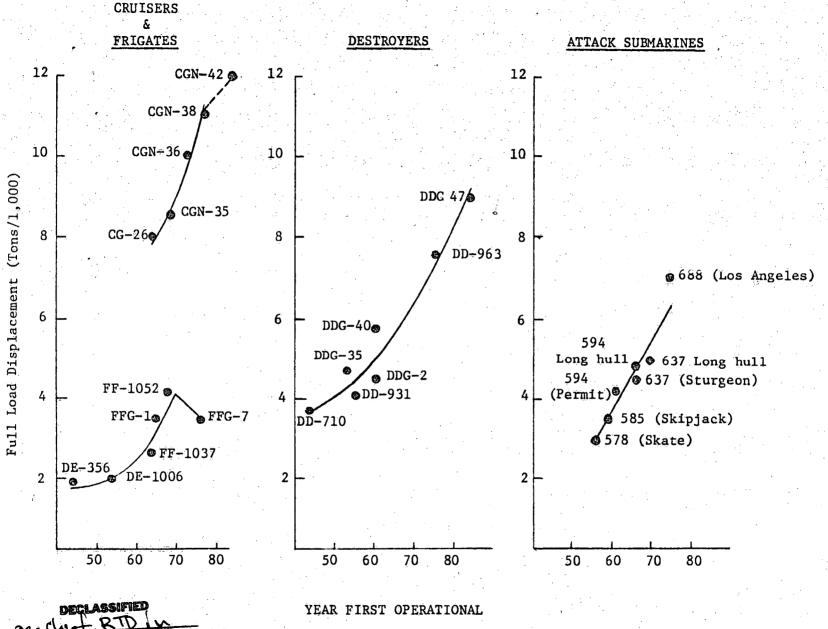


SECRET

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- - -- JUNE 23: COMPLETE DATA COLLECTION
  - -- SEPTEMBER 1: FINAL REPORT TO PRESIDENT

#### SIZE TREND IN NAVY SHIPS



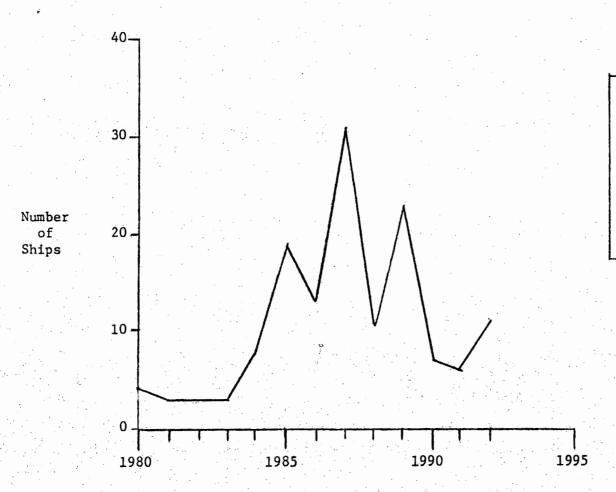
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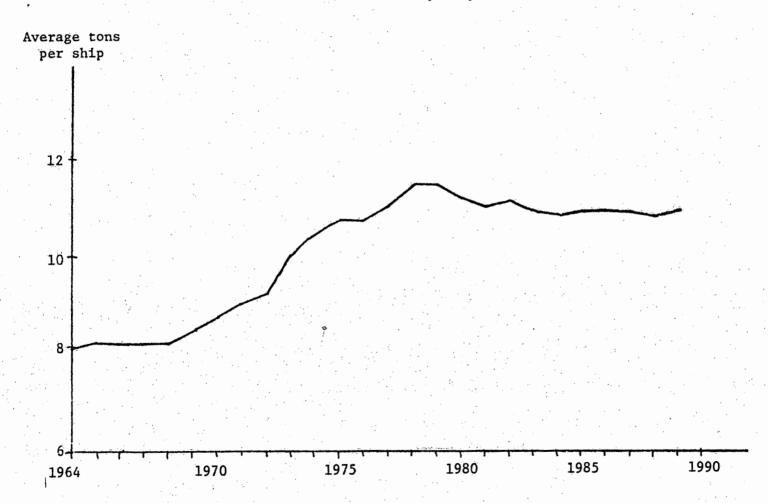
CONFIDENTIAL

#### ACTIVE SHIP RETIREMENTS



Between 1985 and 1992, 120 active ships will be retired (average of 15 per year). In addition, about 70 reserve and Military Sealift Command ships will also be retired (9 per year). The March 1978 5-year (1979-1983) plan calls for 14 new ships per year.

Trend in Active Ship Displacement



#### THE PRESIDENT'S SCHEDULE

#### Tuesday - June 6, 1978

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

11:00 Open White House Press Briefing on the Water (5 min.) Policy. (Mr. Stuart Eizenstat) - White House Press Briefing Room.

11:30 Vice President Walter F. Mondale, Admiral (20 min.) Stansfield Turner, Dr. Zbigniew Brzezinski and Mr. Hamilton Jordan - The Oval Office.

1:00
(2-1/2
hrs.)

Issues Meeting/1980 Budget. (Mr. James McIntyre).

The Cabinet Room.

Newing was Cancelled

8:15

Dr. Zbigniew Brzezinski - The Oval Office.

10:30

Mr. Jody Powell - The Oval Office.

11:00 (5 min.)

Open White House Press Briefing on the Water Policy. (Mr. Stuart Eizenstat) - White House Press Briefing Room.

11:15

Mr. Jerry Waldie. (Mr. Tim Kraft).
The Oval Office.

(15 min.)

(20 min.)

11:30

Vice President Walter F. Mondale, Admiral Stansfield Turner, Dr. Zbigniew Brzezinski and Mr. Hamilton Jordan - The Oval Office.

3:30

HAIRCUT.

PRESIDENT JIMMY CARTER STATEMENT/WATER POLICY TUESDAY, JUNE 6, 1978

LAST YEAR I ASKED SECRÉTARY ANDRUS TO LEAD AN INTERAGENCY REVIEW OF FEDERAL WATER POLICY, AND TODAY I AM SENDING TO THE CONGRESS A WATER POLICY MESSAGE DESIGNED BY US TO ACHIEVE FOUR OBJECTIVES:

ONE: IMPROVED PLANNING AND EFFICIENT MANAGEMENT OF FEDERAL WATER

Completion

RESOURCES PROGRAMS WHICH WILL PERMIT THE GONSTRUCTION OF NECESSARY WATER

PROJECTS THAT ARE COST-EFFECTIVE, SAFE AND ENVIRONMENTALLY SOUND;

(--over--) (Two; A NEW, NATIONAL EMPHASIS....)

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TWO: A NEW, NATIONAL EMPHASIS ON WATER CONSERVATION;

THREE: ENHANCED FEDERAL-STATE COOPERATION IN WATER POLICY AND PLANNING; AND

FOUR: INCREASED ATTENTION TO ENVIRONMENTAL QUALITY.

WE WILL ACHIEVE THESE OBJECTIVES WITHOUT IMPOSING ANY NEW FEDERAL REGULATORY PROGRAM FOR WATER MANAGEMENT.

(--NEW CARD--) (THIS POLICY RECOGNIZES....)

THIS POLICY RECOGNIZES THAT ACROSS THE NATION THERE IS REMARKABLE DIVERSITY IN THE ROLE THAT WATER PLAYS.

IN MOST OF THE WEST, WATER IS SCARCE AND MUST BE MANAGED CAREFULLY
....ITS USE IS GOVERNED BY LONG-STANDING TRADITIONS AND LAWS.

IN OTHER AREAS OF THE COUNTRY, FLOODING IS MORE OF A PROBLEM THAN DOUGHT,....AND IN MANY AREAS, PLENTIFUL WATER RESOURCES HAVE OFFERED OPPORTUNITIES FOR HYDROELECTRIC POWER AND NAVIGATION.

(--over--) (URBAN AREAS FACE THE NEED FOR....)

URBAN AREAS FACE THE NEED FOR REHABILITATION OF THEIR WATER SYSTEM EVERYWHERE, WATER IS FUNDAMENTAL TO ENVIRONMENTAL QUALITY.

THIS POLICY RECOGNIZES THE SUBSTANTIAL BENEFITS WATER DEVELOPMENT
HAS PROVIDED THE COUNTRY, BUT OUR FEDERAL WATER RESOURCE PROGRAMS ARE NO
PLAGUED BY INEFFICIENCIES AND ENVIRONMENTAL PROBLEMS.

THESE INITIATIVES ARE SPECIFICALLY ADDRESSED TO THE FOUR OBJECTIVES OF THE WATER POLICY.

(-- NEW CARD--) (FIRST, TO IMPROYE FEDERAL WATER....

FIRST, TO IMPROVE FEDERAL WATER RESOURCES PROGRAMS I PROPOSE:

- -- THE USE OF NEW CRITERIA AND UNIFORM PROCEDURES FOR THE COMPUTATION OF PROJECT COSTS AND BENFITS WITH AN EXPEDITED INTERAGENCY REVIEW TO ASSURE THAT PROJECTS ARE ASSESSED CONSISTENTLY; AND
- -- COST-SHARING TO GIVE STATES A MORE MEANINGFUL ROLE IN WATER
  PROJECT DECISIONS, YET PROTECT SMALL STATES FROM UNDUE FINANCIAL BURDENS.

(--over--)(Second, to establish water . . . )

SECOND, TO ESTABLISH WATER CONSERVATION AS A NEW NATIONAL PRIORITY I AM:

-- DIRECTING ALL FEDERAL AGENCIES TO INCORPORATE WATER CONSERVATION REQUIREMENTS IN ALL APPLICABLE PROGRAMS; AND

-- PROPOSING LEGISLATION TO ALLOW STATES THE OPTION OF CHARGING MORE FOR MUNICIPAL AND INDUSTRIAL WATER SUPPLY FROM FEDERAL RESERVOIRS ENCOURAGE CONSERVATION, PROVIDED THAT THE ADDITIONAL REVENUE IS RETURNED TO THE MUNICIPALITY.

(--NEW CARD--) (THIRD, TO ENHANCE . . . )

#### THIRD, TO ENHANCE FEDERAL-STATE COOPERATION I AM:

- -- PROPOSING GRANT PROGRAMS TOTALING \$50 MILLION TO HELP STATES
  PLAN FOR THEIR WATER NEEDS AND TO IMPLEMENT WATER CONSERVATION PROGRAMS;
  AND
- -- CREATING A TASK FORCE WITH STATE, LOCAL AND FEDERAL OFFICIALS
  TO EXAMINE WATER-RELATED PROBLEMS AND TO DEEPEN THE PARTNERSHIP THAT
  THIS WATER POLICY REVIEW HAS BEGUN.

(--over--) (Fourth, to protect the environment . . . )

FOURTH, TO PROTECT THE ENVIRONMENT I AM:

- -- REQUIRING AGENCIES TO ENFORCE ENVIRONMENTAL STATUTES MORE EFFECTIVELY;
- -- REQUIRING AGENCIES TO FUND ENVIRONMENTAL MITIGATION PLANS
  WHILE PROJECTS ARE BEING BUILT; AND
- -- SEEKING INCREASED STATE COOPERATION IN PROTECTION OF INSTREAM
  FLOWS AND GROUNDWATER RESOURCES

(--NEW CARD--)(I WANT TO WORK WITH THE . . . )

I WANT TO WORK WITH THE CONGRESS, STATE AND LOCAL GOVERNMENTS AND THE PUBLIC TO IMPLEMENT THIS POLICY -- TO BUILD NEEDED WATER PROJECTS,...TO AVERT WATER SHORTAGES IN THE FUTURE,....AND TO PRESERVE OUR BEAUTIFUL RIVERS AND STREAMS FOR TOMORROW'S AMERICA.

# # #

#### U. S. DEPARTMENT-OF LABOR

OFFICE OF THE SECRETARY
WASHINGTON

June 6, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

SECRETARY OF LABOR, Ray Marshall T

SUBJECT:

May 29 Jack Anderson Column on Administration's

Veterans' Programs

#### Background

In his Memorial Day column of May 29, Jack Anderson made a series of charges about the Administration's alleged neglect of Vietnam-era veterans. There were a number of serious inaccuracies and distortions about Labor Department programs in the column.

At your request, I am writing this memo to detail the follow-up action I am taking with Anderson and to explain the major errors in the column.

#### Follow-Up Action

Since Anderson is syndicated to hundreds of newspapers, merely writing a letter of response to the <u>Washington Post</u>, Anderson's local outlet, will do little to remedy the problem. For this reason, I have, instead, set up a lunch with Anderson for this Friday, June 9. My goal in having this lunch will be to try to convince Anderson to run some kind of correction in the context of a second column highlighting the Administration's major accomplishment of reducing Vietnam-era unemployment. The unemployment rate for Vietnam-era veterans was 4.0 percent in May. It has declined 1.0 percent in two months. In January 1977 it was 7.6 percent.

#### Errors in Anderson Column

1). Anderson Charge: \$140 million was earmarked for Project HIRE, but "only about \$10 million was spent."

Correction: Working with the National Alliance of Businessmen (NAB), we should produce the 100,000 jobs which were the goal of the program. The Labor Department has approved \$21 million in contracts to provide training for 12,600 veterans. Contracts for training an additional 7,000 veterans at the cost of \$11 million are currently under review. We are also in the process of distributing \$90 million in Project HIRE funds to the CETA prime sponsors to provide jobs and training primarily for veterans.

2). Anderson Charge: "The Labor Department seems to have lost track" of the \$33 million program to hire 2,000 disabled veterans to find jobs for 40,000 of their counterparts.

Correction: Approximately 2,000 disabled veterans have, indeed, been hired to work in Employment Service offices in areas with heavy concentrations of veterans. So far, they have placed 26,000 disabled veterans and are likely to meet their goal of 40,000 placements by the end of this Fiscal Year. The program will be slowly phased-out over the next five years, but it is expected that many of these 2,000 disabled veterans will be absorbed onto regular Employment Service payrolls.

3). Anderson Charge: "Carter also decided grandly to give 35 percent" of CETA jobs to veterans. "But it looks as if more than 75 percent of the vets may be ineligible under the provisions of the Act."

Correction: We tried and failed to get a 35-percent veterans' goal written into the law. Under the CETA expansion, 24 percent of those hired (and 39 percent of all males hired) are veterans. Thanks, in part, to CETA, the unemployment rate for Vietnamera veterans has declined dramatically. The 75 percent of veterans who are ineligible for CETA are not those most in need of help. What should be emphasized is how much we have done for the other 25 percent.

4). Anderson Charge: "The Labor Department inactivated the job applications of 43 percent of the 2.2 million Vietnam veterans on its job service rolls."

Correction: State employment services routinely inactivate files within 30 to 60 days if there has been no follow-up interest by the client. However, veterans' files are kept active for an entire year. Periodically cleaning the files of outdated applications makes basic common sense. Of those inactivated, over 70 percent have received some service.

It is the only way to ensure that the Employment Service refers people actively seeking work. Removing these outdated applications from the veterans' files enables the Employment Service to better serve those veterans who are currently looking for jobs.

The Labor Department has tried to "cover up its failures" by changing the definition of Vietnam-era veterans. The new definition counts only those veterans who were discharged from the Armed Services within four years of their job application. This "lowers the veterans' unemployment rate and reduces President Carter's embarrassment."

Correction: This is a serious distortion. There has been absolutely no change in the way the Bureau of Labor Statistics calculates the unemployment rate for Vietnam-era veterans. These figures have been reduced by more than 50 percent since Election Day 1976. The definition to which Anderson is referring is used by the Employment Service to designate one category of veterans who receive special treatment under affirmative action programs involving Federal contractors. This definition is based on the provisions of the Vietnam Era Veterans Readjustment Assistance Act of 1972. This definition does not affect veterans' eligibility for CETA programs.

. ID 782959

#### THE WHITE HOUSE

WASHINGTON

DATE:

06 JUN 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

JACK WATSON

FRANK MOORE (LES FRANCIS)

ANNE WEXLER

JIM MCINTYRE

CHARLIE SCHULTZE

JODY POWELL

SUBJECT:

MARSHALL MEMO RE MAY 29 JACK ANDERSON COLUMB ON

ADMINISTRATION'S VETERANS' PROGRAM

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

BY:

ACTION REQUESTED:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

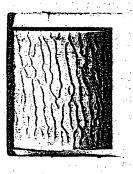
THE WHITE HOUSE WASHINGTON
June 6, 1978

Peter Bourne

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson
LETTER FROM FATHER HESBURGH





for Preservetton Perposes

University of Notre Pame Notre Dame, Indiana 46556

Office of the President

May 18, 1978

Unble Abbress Bulac"

Honorable Jimmy Carter The White House Washington, D. C.

Dear President Carter:

I have just finished reading your most welcome and timely statement of May 2 calling for a comprehensive effort to improve health conditions in the developing countries. It prompts me to write to encourage you and to assure you of my full support in these efforts on behalf of the world's disadvantaged people.

Few Americans realize that even though the relative proportion of the world's population suffering from malnutrition and poor health has been declining in the post World War II era, the absolute numbers of people affected are substantially greater today than thirty years ago and, if current trends continue, are likely to be considerably greater by the year 2000. These are among the worst aspects of absolute poverty. You are quite right to remind us that of the more than 15 million children who die before they reach the age of five, the great majority -- approximately 97 per cent in 1975 -- are in developing countries; probably half of these deaths could have been avoided through the provision of adequate nutrition and access to rudimentary health and other basic services.

Many of us still remember and continue to be encouraged by your eloquent "Statement to the World" broadcast on Inauguration Day, in which you spoke of the "basic rights" of every human being to be free not only of political repression, but also of poverty, hunger, and disease. You called upon the citizens of the world to join us in "a common effort" to move "the reality of the world closer to the ideals of human dignity." Many of us have been actively seeking to add substance to this concept and to strengthen the general commitment of the Congress and others here and abroad to this "common effort."

As you may remember, I wrote to you on this subject last Spring, when the Overseas Development Council, of which I am Chairman, released its fifth assessment of the relationship of the United States and the developing world, U.S. and World Development: Agenda 1977. I then emphasized this policy study's conclusion that, with an effective combination of international and domestic policies, most countries could probably overcome the worst aspects of absolute poverty by the end of this century. Additional analyses that have been made available during the past year, including notably the NAS World Food and Nutrition Study submitted to you last June, continue the conclusion that, given the necessary political will here and abroad, this is a feasible goal. It is certainly one worth exploring with other countries as the House International Relations Committee encouraged you to do in its April amendment to the pending foreign aid legislation:

The Congress, recognizing the desirability of overcoming the worst aspects of absolute poverty by the
end of this century by, among other measures, substantially lowering infant mortality and birth
rates, and increasing life expectancy, food production,
literacy, and employment, encourages the President to
explore with other countries, through all appropriate
channels, the feasibility of a worldwide cooperative
effort to overcome the worst aspects of absolute
poverty and to assure self-reliant growth in the
developing countries by the year 2000. (Sec. 102(c),
H.R. 12222)

You may find of some interest my summary description in the enclosed statement (pages 2-7) for the Senate Foreign Relations Committee of how thinking has continued to evolve on what you have yourself called in your U. N. address "proposals aimed at meeting the basic human needs of the developing world and helping them to increase their productive capacity." This testimony was prepared in response to Senator Sparkman's earlier invitation to testify this Spring before his Committee on the Humphrey Bill. It is another move which I hope will help strengthen the general commitment of the Congress and others to your development objectives. The House amendment noted above is also such an action, and I am hopeful that the Senate will provide similar encouragement and support.

Your leadership in the past year seeking to defuse such difficult issues involving developing countries as the Panama Canal and Southern Africa has been most encouraging. But this challenge of seeking to meet basic needs is an effort of a different nature; we are talking about dramatically changing the quality of life of the world's poor majority. There has never been a time when large numbers were not dving from hunger. malnutrition, and diseases that are now preventable or curable. In these last decades of the century, the world for the first time has within its grasp the means to overcome the worst aspects of poverty if there is sufficient will here and abroad to do so.

A serious endeavor to achieve these goals would make the achievement of putting a man on the moon pale by comparison. And even if, after a serious effort, we were to fall short of these goals, the benefits from having tried would be great indeed. In human terms, the stakes are huge. If it were possible to achieve this goal of overcoming the worst aspects of absolute poverty by the end of this century, the beneficial results would be many, including having some 10 million fewer people die than now seem likely and a substantially greater number of births avoided.

I enclose my testimony also to show how we have sought to provide Congress further citizen support of your paraphrase of Senator Humphrey at the memorial service in Minneapolis: "Foreign assistance is a good investment in our future." The attachment to my statement, "Can the Rich Prosper without Progress by the Poor," by ODC's Executive Vice President John Sewell, provides a convincing demonstration for many that your plans for a stepped-up effort to meet basic needs is not only morally right, but, as was the case with the Marshall Plan after World War II, could be an indispensable investment in our own future well being.

If there is anything further you think I could do to help in these areas, beyond my function in heading the U.S. team for next year's Conference on Science and Technology for Development, please let me know. I hope to discuss all this with you, after some of your current problems are behind us.

(Rev.) Theodore M. Hesburgh, C.S.C

President



TO: SUIAU CLOUGH FROM: RANDY JAYNE, AD/NSIA

Jim Mc Intyre indicated that the President asked for our Navy charts for use in his speech gree. If he needs any further info, I'll be standing by. (Classified Attachments)

Record: <u>re: Navy ships, 6pp</u> is temporarily restricted in accordance with the Information Security Oversight Office (ISOO) Classified National Security Directive No. 1 (CFR Part 2001), Section 2001.13(e) Concerning Re-Review of Previously Declassified Records at the National Archives.

Comment of 1

# THE WHITE HOUSE

June 6, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE In. /pd

Senator Joseph Montoya will be buried on Thursday, June 8, at 10:00 a.m. in Santa Fe.

I recommend that you send Fabian Chavez (Assistant Secretary of Commerce for Tourism) as your official representative. Fabian is one of the highest ranking Mexican-Americans in the Administration and is well-known and well-liked in New Mexico.

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APPROVE		_			_			_		_	_	_	_	_	:			
DISAPPROVE	•				•						•	•			•	•		

Joe Aragon and Tim Kraft concur.

zh F

# THE WHITE HOUSE WASHINGTON

Vivian and Patti were informed orally

# THE WHITE HOUSE WASHINGTON June 6, 1978

Frank Moore Stu Eizenstat

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Jim McIntyre

RE: LABOR/HEW APPROPRIATIONS

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
LAST DAY FOR ACTION -

ACTION FYI

Γ	ADMIN CONFID	
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	EYES ONLY	

		VICE PRESIDENT	
/		EIZENSTAT	
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	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE

WASHINGTON

June 5, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT

JIM MCINTYRE

FRANK MOORE F.M. /LF

SUBJECT:

Labor/HEW Appropriations

Frank's shop has been exploring with House members the possibility of sponsoring our amendment to cut the increases in the Labor/HEW appropriations. They obtained no support from the moderate/liberal Democrats for a major (\$600 million) roll back. However, Congressman Obey, who we believe was reflecting the Leadership position, expressed willingness to try to convince the Appropriations Committee to propose a \$120 million cut back on the floor.

These are the possible options:

1. Continue to negotiate with Obey in the hope of persuading him to accept a \$200-300 million cut back, making it clear that this does not preclude further efforts to reduce the bill in the Senate, or a veto. If this failed then Option 2 would be attempted.

Do not endorse higher level than our budget

Frank Stre

2. Request Congressman Mahon to move a \$600 million roll back in the expectation of getting him to agree to introduce an amendment rolling back about one-half of the Committee's \$887 million add-on (\$450 million). It is unclear that we will succeed on the floor even with Mahon's support.

Frank and Stu recommend we proceed with Option 1 early Tuesday, falling back to Option 2 if this is unsuccessful.

OMB believes that the Obey cut back is too limited and that if you agree you would be foreclosed from vetoing the bill or seeking a lower Conference level, and recommends Option 2. Jim McIntyre has an appointment with Mahon tomorrow.

# Option 1, then Option 2 with Mahon only if Option 1 fails. (Frank, Stu) Option 2 with Mahon (and possibly with some other conservative Democrats). (OMB)

NOTE: Secretary Califano tells us he will submit his own memo. We understand he favors proceeding with whatever Representative Obey will accept.



### THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE WASHINGTON, D. C. 20201

June 5, 1978

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO

I strongly recommend that you go with the House Appropriations Subcommittee package your staff and mine are working to put together with Congressman Obey. It now totals \$120 million from education and health programs and could go higher.

The package would leave the National Institute of Health add-on alone. In 1978 \$1.734 billion was appropriated for NIH. In 1979, your budget recommended \$1.737 billion -- an increase of \$3 million on almost \$2 billion. The Subcommittee considers its addition of \$300 million above that to be slightly more than the maintenance of current services -- to account for the inflation they feel we ignored.

For you to go for further reductions beyond what we are able to negotiate will unnecessarily tear up your relationship with key members of the House and is not likely to achieve any further savings in the long run. It will also give impetus to an amendment by the Republicans to cut \$1 to \$2 billion out of the budget "to reduce fraud and abuse" -- which is a harmful move that will only hurt legitimate beneficiaries of HEW programs without reducing fraud and abuse and which is a cheap political shot designed to force you to ask for a supplemental when HEW does not reduce fraud and abuse in the very near term by large amounts.

Whatever you do, I urge you not to decide against this recommendation without letting the House Democratic Leadership talk to you (and, ideally, also Congressman Obey and some others on the Appropriations Committee who help us).

ID 782941

#### THE WHITE HOUSE

#### WASHINGTON

DATE: 06 JUN 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

JODY POWELL

JACK WATSON

ANNE WEXLER

CHARLIE SCHULTZE

SUBJECT: EIZENSTAT MCINTYRE MOORE MEMO RE LABOR HEW APPROPRIATIONS

- + RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
- BY:

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

## THE WHITE HOUSE WASHINGTON

June 6, 1978

MR. PRESIDENT:

YOUR NAVAL ACADEMY SPEECH IS RECEIVING A LOT OF ATTENTION AND BUILD-UP BY THE IT COULD BE ONE OF THE MORE IM-MEDIA. PORTANT SPEECHES OF YOUR FOUR YEARS. GIVEN ITS CRITICAL NATURE, I WOULD STRONGLY RECOMMEND THAT WE RE-SCHEDULE THE TUESDAY AFTERNOON BUDGET MEETING. ALTHOUGH EVERY-ONE AGREES YOU HAVE DEVELOPED A SOLID BASIC TEXT, IT DOES NEED SOME STRUCTURAL WORK AND SOME TIME DEVOTED TO DELIVERY. THIS WOULD GIVE YOU MOST OF THE AFTERNOON TOMORROW TO WORK ON IT. THIS SPEECH DESERVES THAT KIND OF TIME AND ATTENTION.

**HAMILTON** 

CC: JODY PHIL

#### THE WHITE HOUSE

WASHINGTON

June 5, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JODY POWELL

RE:

ANNAPOLIS SPEECH

I understand that it has already been suggested that you cancel or postpone tomorrow's budget briefing to provide more time to work on this speech.

I very much support this suggestion. The speech has the makings of an excellent presentation which will clear the air of many misconceptions on both extremes and place you in a responsible position that most Americans can support. I expect that at least one network and perhaps more will carry your speech live. We should take no chances in preparing for the most effective presentation possible.

# THE WHITE HOUSE

June 6, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE J. M/BR

I am going to Alabama this morning for Senator Allen's funeral and will return this afternoon. Les Francis of my staff will prepare a short report on Presidential priorities and Labor/HEW that will be to you by 10:30 this morning.

7

#### THE WHITE HOUSE

WASHINGTON

June 6, 1978

#### MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE F.M.

LES FRANCIS

SUBJECT:

Status Report on Priority Issues

Due to Frank's attendance at funeral services for Senator Allen in Alabama today, we are providing a written status report on some of our priority legislative issues.

#### \*Labor/HEW Appropriations

WHCL and OMB staff are meeting with Chairman Mahon and Congressman Obey to seek their assistance on an amendment to the bill reported by the full committee, in line with the memo you signed-off on this morning. Bill Cable will report on progress of the discussions later today.

#### \*Hospital Cost Containment

Commerce Committee mark-up commences today and is likely to continue through Thursday. It appears now that we have the votes (a) to turn down the Santini amendment and (b) to get a bill close to what we've been pushing.

WHCL and HEW will then work with Rostenkowski to implement a strategy for Ways and Means consideration.

\*DPS, Interior and the Army Corps of Engineers will conduct the last in a series of water policy briefings this morning prior to the 11:00 a.m. announcement. Individual and group briefings will have reached everyone with an interest in the issue, so there should be no complaints about not being kept informed.

Pending your decision on new starts and new planning starts, WHCL, Interior and the Corps will then inform Senators and Representatives of the "good news" (WHCL) and the "bad news" (Interior and Corps).

#### \*Airline Deregulation

There has not been any change in the situation insofar as the House Rules Committee is concerned; Johnson and

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Anderson are still hanging tough in an effort to link the regulatory reform and noise bills together. Meanwhile, DPS, OMB and DOT are trying to come up with an acceptable compromise on Titles I and II of the noise bill in an effort to break the stalemate. We are not sure of the likeliness of success on this, but you will be kept posted.

#### \*Labor Law Reform

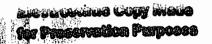
The first cloture petition was layed down yesterday; the vote will occur Wednesday at 5:00 p.m.; the second vote will come Thursday at 3:00 p.m. It has not yet been decided whether to have a third vote this week. We hope to get cloture by the end of next week.

#### \*Civil Service Reform and Reorganization

House Government Operations begins hearings today on the reorganization plan.

Senate Governmental Affairs begins mark-up on the legislation tomorrow and will continue Thursday and Friday.

House P.O. and C.S. Democrats will continue with their closed-door caucus tomorrow. Udall has been staying in touch with Scotty Campbell.



## THE CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISERS WASHINGTON

done

June 6, 1978

MEMORANDUM FOR THE PRESIDENT

From:

Charlie SchultzeCLS

Subject:

Talking points for your phone call to

Secretary Marshall on cotton dust

You have already received a number of background memos on this subject.

We have suggested to the Secretary, in broad terms, an approach which would delay the required use of engineering controls for a specified period (five to seven years), and rely on other measures -- principally masks, work practices, and medical surveillance -- in the interim. This would substantially reduce uncertainty and give firms a chance to demonstrate the effectiveness of other measures. (OSHA's proposed regulation, on the other hand, would require immediate compliance subject to a firm-by-firm negotiation with OSHA on the feasibility of the time schedule.)

#### Issues: Substantive

A large part of the substantive issue comes down to the effectiveness of masks and other non-engineering approaches, during the interim period.

Secretary Marshall and OSHA insist they are simply not effective. They also feel strongly that workers should not be required to bear the major burden of prevention.

OSHA has stated that light single use masks, even after including an allowance for leakage, can give a protection factor of 5. That is, if the standard is 200 micrograms, masks can achieve that standard in an environment of 1,000 micrograms of respirable dust in the air, if workers use them and report leaks. The current standard is 1,000 micrograms of total dust in the air (which implies substantially less in respirable dust).

Providing a specified industry-wide time period for engineering controls would:

- . substantially reduce uncertainty
- lower costs, as the industry had a chance both to improve technology and install it on an orderly basis
- give firms a chance to demonstrate the effectiveness of alternative measures.

The "worker protection" versus "engineering controls" issue is a very basic one. OSHA, the unions, and many public interest groups feel very strongly that the substantial additional costs of engineering controls are a necessary expense, and that reliance upon worker protection devices -- except when all else fails -- does not meet the health concerns of the law.

This issue goes well beyond byssinosis. OSHA is now drafting a regulation for <u>lead dust</u> which raises precisely the same problems. Whatever we do here will form a precedent for that one. The same kind of problem arises in the case of <u>industry noise standards</u> -- engineering controls versus various forms of personal hearing protectors. These are all in the works. There will be many others down the road.

#### Issues: Legal

The Secretary may claim that an industry-wide delay for engineering controls will not stand up in court. OSHA, having made a finding on the superiority of engineering controls, must insure that every firm installs them as soon as feasible. Since feasibility (a nebulous term) varies from firm to firm, OSHA must pursue it firm by firm.

We cannot predict the outcome of a court suit (many standards are brought to court). But the magnitude of the investment requirements, relative to the size of the industry and its normal investment patterns, would surely make a powerful case for specifying a delayed time period, if OSHA were willing to help in making the case.

We have been told that Ralph Nader has filed a suit to attack your authority to order the Secretary to change the regulations. The Justice Department and the White House counsel believe the suit has no merit.

I am attaching a copy of the memo I sent to Secretary Marshall, on the basis of your decision yesterday.

Attachment

THE WHITE HOUSE

WASHINGTON

June 7, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Supplemental Cotton Dust Information:

This Morning's Court Proceedings

We have received word from the Department of Justice that the court proceedings regarding the cotton dust regulation this morning went well. The District Judge favorably received the government's explanation that you are reviewing the matter in conference with Secretary Marshall and other advisors. The Judge stated that he expected to have on Friday a complete statement of the results of the President's review and a projection by the Labor Department of its schedule for promulgation of the regulation.

In light of the Judge's instructions, the Department of Justice advises that it would be useful if you could communicate your decision by mid-day tomorrow. The Department also advises that, in addition to receiving the factual summary which CEA is preparing prior to formally making any decision to reaffirm Charlie's June 5 memo, you put a cover note on the memo or any other communication you instruct Charlie to send. It would serve to confirm your personal approval. We will draft such a cover note following the meeting.

#### THE CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISERS WASHINGTON

June 5, 1978

MEMORANDUM FOR SECRETARY MARSHALL Charlie Schultzella chult, o

FROM:

SUBJECT:

OSHA Draft Regulations on Cotton Dust

The President has asked me to convey his instructions concerning certain aspects of OSHA's draft final regulation on cotton dust. He desires that steps be taken promptly to reduce the incidence of byssinosis, and commends OSHA for the several excellent modifications of the original proposal that are incorporated in the current draft standard. Nevertheless, he is concerned that the draft final standard for the yarn preparation stage may impose substantially greater economic costs, higher investment outlays, and more uncertainty than necessary to control worker byssinosis.

Therefore, the President has asked that you prepare one or more alternative approaches that establish the same stringent standards for the protection of workers' health as the draft final regulation; but at the same time provide latitude for the cotton textile industry to devise the most cost-effective techniques for meeting such standards. alternative(s) should reflect the following general principles: First, the proposed worker exposure standards should become effective promptly, as OSHA proposes. Second, for a specified and reasonable period of time, all firms should be allowed to meet the standards without restrictions as to means of compliance, with vigorous OSHA enforcement. Third, at the end of such period, firms would be required to meet the proposed standard using engineering controls unless they had demonstrated to OSHA compliance through other means equally as effective as engineering controls.

THE WHITE HOUSE WASHINGTON

June 6, 1978

Stu Eizenstat

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

letters attached.

cc: Frank Moore Frank Press

These letters signed and given to Joanne for 6/9/78 at 3:00 asked her to cc: Roma Erneberg wall Copies of my (6/9/78)

1	FOR STAFFING
Ī	FOR INFORMATION
Ī	FROM PRESIDENT'S OUTBOX
ľ	LOG IN/TO PRESIDENT TODAY
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ACTION FYI

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### THE WHITE HOUSE

WASHINGTON

June 5, 1978

MEMORANDUM TO:

THE PRESIDENT

FROM

Stu Eizenstat

Frank Press 7

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Your FY 79 budget proposal includes an initiative to strengthen basic research. It provided an 11% increase in order to compensate for the long-term downward trend that began in 1968. Several actions by House appropriations committees have placed this initiative in jeopardy:

- o The basic and applied research budgets of NSF were reduced \$44M and \$19M respectively and transfer of \$5M into science education. This leaves NSF with an increase of only 3.5% instead of the 9% you requested.
- o NASA's space telescope, Jupiter orbiter probes and Solar Polar missions were reduced \$30M to the point of uncertain viability, with funds transferred to a shuttle contingency fund, long lead time parts for a 5th orbiter and advanced technology planning.
- o A balanced research budget in DOE was upset with major reductions in engineering, applied mathematics, laser photochemistry, novel photochemical and photovoltaic systems, fermentation, lubrication and robotics.
- o A reduction of 30% in a new DOD program earmarked for university basic research pertinent to DOD interests.
- o Cancellations of a new \$30M basic research competitive grant program in the Department of Agriculture emphasizing genetic engineering to create new crops, photosynthetically more efficient, requiring less fertilizer and more resistant to environmental stress and insect attack.

We recommend that you issue a written statement questioning the wisdom of more actions and requesting reconsideration by the several committees. In all, the Senate committees have not yet acted and the situation can be reversed.

A draft statement is attached.

OMB and Congressional Liaison concur.

#### STATEMENT BY THE PRESIDENT

Shortly after taking office I directed department and agency heads to examine the Federal Government's programs in basic research. I determined that the Nation's investment in basic research had fallen far too low over the past decade. In my budget message to Congress I recommended total obligation of \$3.6 billion, which represents a real rate of growth of almost 5% for FY 1979. I believe this encouragement and support for basic research is essential for the discoveries and technological innovations essential to our economic well-being and to our national security.

As the Congress has begun to consider final funding levels for R&D programs, some have appeared endangered. Even relatively small reductions in key agencies -- such as the National Science Foundation -- or in new initiatives planned for the mission agencies -- including the Departments of Agriculture, Energy, NASA, and Defense -- would defeat our objective of modest increments of real growth and undermine our commitment to strengthen the Nation's capacity and productivity in critical areas of research.

As the Congress completes its work on the R&D proposals before it, I wish to reiterate my support for the basic research initiative, and to ask again for the support of the Congress in beginning to meet this need in the 1979 budget.

			WASHINGTO	V		
DATE:	05 JUN 78					
FOR ACTION:	JIM FALLOWS					
INFO ONLY:	THE VICE PES	IDENT		JODY POWEL	L	
	JACK WATSON			ANNE WEXLE	:R	
	ZBIG BRZEZIN	SKI				
SUBJECT:	EIZENSTAT PR	ESS MEMO RE	E BASIC RE	SEARCH		
+ RES	PONSE DUE TO	RICK HUTCHE	SON STAF	F SECRETAR	Y (456-7	······ '052) +
*	BY:					+

ACTION REQUESTED: IMMEDIATE TURNAROUND REQUESTED

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

#### THE WHITE HOUSE

WASHINGTON

June 5, 1978

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THE PRESIDENT

FROM

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- o A balanced research budget in DOE was upset with major reductions in engineering, applied mathematics, laser photochemistry, novel photochemical and photovoltaic systems, fermentation, lubrication and robotics.
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As the Congress completes its work on the R&D proposals before it, I wish to reiterate my support for the basic research initiative, and to ask again for the support of the Congress in beginning to meet this need in the 1979 budget.

#### To Chairman Whitten

I am writing to express concern regarding Congressional action on my proposed budget for basic research for FY 1979.

Shortly after taking office I directed Departments and Agency heads to examine the Federal Government's programs in basic research. As a result of that review I determined that the Nation's investment in basic research had fallen far too low over the past decade. In my budget message to Congress, I recommended total obligations of \$3.6 billion, which represents a real rate growth of almost 5 percent for FY 1979. I believe this encouragement and support for basic research by the Federal Government is essential for the discoveries and technological innovations fundamental to our economic well-being and to our national security.

As the Congress considers final funding levels for R&D programs, I want to emphasize that even relatively small reductions in key agencies — such as the National Science Foundation — or in new initiatives and growth planned for the mission agencies — including NASA and the Departments of Agriculture, Energy, and Defense — would defeat our objective. Modest increments of real growth in these programs are necessary if we are to strengthen the Nation's capacity and productivity in critical areas of research.

As the Congress completes its work on the R&D proposals before it, I wish to reiterate my support for the basic research initiative, and to ask again for the support of the Congress in beginning to meet this national need in the 1979 budget.

Sincerely,

Timung

Honorable Jamie Whitten
Chairman, Subcommittee on Agriculture
and Related Agencies
House of Representatives
Washington, D. C. 20515

#### To Chairman Magnuson

I am writing to express concern regarding Congressional action on my proposed budget for basic research for FY 1979.

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Sincerely,

Honorable Warren G. Magnuson Chairman, Committee on Appropriations

United States Senate Washington, D. C. 20510

To Chairman Proxmire

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Sincerely,

Sincer ery,

Honorable William Proxmire Chairman, Subcommittee on HUD -

Independent Agencies United States Senate Washington, D. C. 20510

#### To Chairman Eagleton

I am writing to express concern regarding Congressional action on my proposed budget for basic research for FY 1979.

Shortly after taking office I directed Departments and Agency heads to examine the Federal Government's programs in basic research. As a result of that review I determined that the Nation's investment in basic research had fallen far too low over the past decade. In my budget message to Congress, I recommended total obligations of \$3.6 billion, which represents a real rate growth of almost 5 percent for FY 1979. I believe this encouragement and support for basic research by the Federal Government is essential for the discoveries and technological innovations fundamental to our economic well-being and to our national security.

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Sincerely,

Honorable Thomas F. Eagleton Chairman, Subcommittee on Agriculture and Related Agencies

United States Senate Washington D. C. 20510

#### To Chairman Mahon

I am writing to express concern regarding Congressional action on my proposed budget for basic research for FY 1979.

Shortly after taking office I directed Departments and Agency heads to examine the Federal Government's programs in basic research. As a result of that review I determined that the Nation's investment in basic research had fallen far too low over the past decade. In my budget message to Congress, I recommended total obligations of \$3.6 billion, which represents a real rate growth of almost 5 percent for FY 1979. I believe this encouragement and support for basic research by the Federal Government is essential for the discoveries and technological innovations fundamental to our economic well-being and to our national security.

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Sincerely,

Imay

Honorable George H. Mahon Chairman on Appropriations House of Representatives Washington, D. C. 20515 To Chairman Boland

I am writing to express concern regarding Congressional action on my proposed budget for basic research for FY 1979.

Shortly after taking office I directed Departments and Agency heads to examine the Federal Government's programs in basic research. As a result of that review I determined that the Nation's investment in basic research had fallen far too low over the past decade. In my budget message to Congress, I recommended total obligations of \$3.6 billion, which represents a real rate growth of almost 5 percent for FY 1979. I believe this encouragement and support for basic research by the Federal Government is essential for the discoveries and technological innovations fundamental to our economic well-being and to our national security.

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Sincerely,

Timmy Car

Honorable Edward P. Boland Chairman, Subcommittee on HUD -

Independent Agencies House of Representatives Washington, D. C. 20515

#### To Chairman Bevill

I am writing to express concern regarding Congressional action on my proposed budget for basic research in FY 1979.

Shortly after taking office I directed Departments and Agency heads to examine the Federal Government's programs in basic research. As a result of that review I determined that the Nation's investment in basic research had fallen far too low over the past decade. In my budget message to Congress, I recommended total obligations of \$3.6 billion, which represents a real rate growth of almost 5 percent for FY 1979. I believe this encouragement and support for basic research by the Federal Government is essential for the discoveries and technological innovations fundamental to our economic well-being and to our national security.

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As the Congress completes its work on the R&D proposals before it, I wish to reiterate my support for the basic research initiative, and to ask again for the support of the Congress in beginning to meet this national need in the 1979 budget.

Sincerely,

Honorable Tom Bevill Chairman, Subcommittee on Public Works House of Representatives Washington, D. C. 20515

#### To Chairman Stennis

I am writing to express concern regarding Congressional action on my proposed budget for basic research for FY 1979.

Shortly after taking office I directed Departments and Agency heads to examine the Federal Government's programs in basic research. As a result of that review I determined that the Nation's investment in basic research had fallen far too low over the past decade. In my budget message to Congress, I recommended total obligations of \$3.6 billion, which represents a real rate growth of almost 5 percent for FY 1979. I believe this encouragement and support for basic research by the Federal Government is essential for the discoveries and technological innovations fundamental to our economic well-being and to our national security.

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Sincerely,

Honorable John C. Stennis Chairman, Subcommittee on Defense United States Senate Washington, D. C. 20510 To Chairman Johnston

I am writing to express concern regarding Congressional action on my proposed budget for basic research for FY 1979.

Shortly after taking office I directed Departments and Agency heads to examine the Federal Government's programs in basic research. As a result of that review I determined that the Nation's investment in basic research had fallen far too low over the past decade. In my budget message to Congress, I recommended total obligations of \$3.6 billion, which represents a real rate growth of almost 5 percent for FY 1979. I believe this encouragement and support for basic research by the Federal Government is essential for the discoveries and technological innovations fundamental to our economic well-being and to our national security.

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Sincerely,

Timung

Honorable J. Bennett Johnston Chairman, Subcommittee on Public Works United States Senate Washington, D. C. 20510

# THE WHITE HOUSE

June 6, 1978

TO: The President

FROM: Phil

RE: REST

Because May and June have been such heavy months on your schedule and a six day trip to Germany is scheduled in July, I suggest you spend the first week of July at Camp David or Musgrove as a "working" vacation. You could depart on Friday June 30 and return on Sunday July 9 - spending a full week and two week-ends away.

Congress is in recess during this period so the need to be in Washington is greatly reduced. Rick assures me he can maintain your paper flow at either location. Camp David is more convenient than Musgrove if the need arises to meet with staff but that should be a secondary factor.

Hamilton, Jody, Frank and Stu concur with this suggestion. Rosalynn's calendar is open during this period.

I submit this proposal in addition to, not in place of, a real vacation to be scheduled later in the summer - possibly during the first two weeks of August.

 approve	Camp David	đ	Musgrove
 disapprove	(		

Will will ck

### THE WHITE HOUSE WASHINGTON

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## THE WHITE HOUSE WASHINGTON

#### RICK:

The President signed this (himself) last night. Hamilton gave it to Amb. Lewis.

Eleanor 6/6

## THE WHITE HOUSE WASHINGTON

June 5, 1978

To Ambassador Gabriel Lewis

I doubt if there has been an Ambassador in the history of our country who has accomplished more for peace and the mutual interests of the United States and his own country than you have on behalf of the people of Panama during your brief service here in Washington.

You played a key role in seeing that the Panama Canal Treaties were completed and ratified.

As President of the United States, I want to express to you my personal appreciation for your contribution to this historical effort. As your friend, I want you to know that you will be greatly missed by me and by your many friends here in Washington.

Rosalynn joins me in extending best wishes to you and Nita.

Sincerely,

His Excellency Gabriel Lewis Ambassador of Panama Washington, D. C.